

RULE AND REGULATION 23

PROPERTY, CASUALTY, SURETY AND MARINE RATE AND FORM FILINGS

TABLE OF CONTENTS

1. Purpose
2. Authority
3. Applicability and Scope
4. Effective Date
5. Definitions
6. Rate Service Organizations
7. Procedures for Rate and Supplementary Rate Information Filings
8. Procedures for Form Filings
9. Severability

FORM RF-1	Rate filing abstract .
FORM A-1	Private passenger automobile abstract
FORM H-1	Homeowners abstract
FORM RF-2	Reference filing adoption form
FORM RF-WC	Workers' compensation reference filing adoption form
FORM WC-1	Workers' compensation abstract
FORM F-1	Form filing abstract
FORM APCS	Automobile survey (as updated)
FORM HPCS	Homeowners survey (as updated)

*Note, these forms are listed here for convenience and are not exhibits to this Regulation. They are the prescribed forms for use and are available at the Department.

Section 1. Purpose

The purpose of this Rule is to set forth rules and procedural requirements which the Commissioner deems necessary to carry out the provisions of Ark. Code Ann. §§23-67-201, et seq., §23-67-219, §23-79-109 and §23-79-110, as to rate and form filings of property, casualty, surety, and marine insurers.

Section 2. Authority

This Rule is issued pursuant to the authority vested in the Commissioner by Ark. Code Ann. §23-61-108, §§25-15-202 et seq., §23-67-218, and other applicable provisions of Arkansas law.

Section 3. Applicability and Scope

This Rule applies to insurance described in Ark. Code Ann. §23-67-203, and insurers, rate service or advisory organizations, joint underwriting associations and joint reinsurance organizations making filings under Ark. Code Ann. §§23-67-201, et seq., §23-67-219 and

§23-79-109, subject to any exemptions the Commissioner may order pursuant to Ark. Code Ann. §23-67-206.

Section 4. Effective Date

The provisions of this Rule shall become effective on April 30, 1996, upon statutory filing per Arkansas law.

Section 5. Definitions

A. Form Filing.

A form filing is documentation setting forth the policy forms, endorsements or other forms to be used in the State of Arkansas by an insurer.

B. Insurance Holding Company Group.

An insurance holding company group or system consists of two (2) or more affiliated companies, one or more of which is an insurer.

C. Expenses.

Expenses means that portion of a rate attributable to acquisition, field supervision, collection expenses, general expenses, taxes, licenses and fees.

D. Rate.

Rate means the cost of insurance per exposure unit, whether expressed as a single number or as prospective loss cost and an adjustment to account for the treatment of expenses, profit and variations in loss experience, prior to any application of individual risk variations based on loss or expense considerations, and does not include minimum premiums.

E. Supplementary Rate Information

Supplementary rate information means any manual, minimum premium, rating schedule or plan of policy writing rules, rating rules, classification system, territory codes and descriptions, rating plans and any other similar information needed to determine the applicable premium for an insured. Supplementary rate information includes factors and relativities, such as increased limits factors, classification relativities, deductible relativities or similar factors.

F. Supporting Information.

Supporting information means information, including supporting actuarial data, which includes (i) the experience and judgment of the insurer and the experience or data of other insurers or advisory organizations relied upon by the insurer, (ii) the interpretation of any statistical data relied upon by the insurer, (iii) descriptions of methods used in making the rates, and (iv) actuarial, technical or other services made available by an advisory organization, or other similar

information required to be filed by the Commissioner.

G. Prospective Loss Costs.

Prospective loss costs means that portion of a rate that does not include provisions for expenses (other than loss adjustment expenses) or profit, and are based on historical aggregate losses and loss adjustment expenses adjusted through development to their ultimate value and projected through trending to a future point in time.

H. Participating Insurer.

Participating insurer means any member, subscriber or service purchaser of an advisory organization.

Section 6. Rate Service Organizations

A. Advisory Organizations - Permitted Activity.

Every advisory organization shall file with the Department every advisory document thirty (30) days prior to the effective date. The Department may extend the review period an additional thirty (30) days by written notice to the filer before the thirty (30) day period expires. Any advisory organization, in addition to other activities permitted, is authorized to:

1. Prepare and distribute rates, supplementary rate information and supporting information in accordance with Ark. Code Ann. §23-67-216 and §23-67-219; however, such filings are for advisory purposes only and shall not be made on behalf of any insurer.

2. Prepare and file on behalf of members and subscribers, policy forms and endorsements and consult with members, subscribers and others relative to their use and application.

3. An advisory organization may develop and make reference filings containing advisory prospective loss costs in accordance with Ark. Code Ann. §23-67-216. Such filings shall contain the statistical data and supporting information for any calculations or assumptions underlying those prospective loss costs.

4. Final rates for residual markets may be prepared and filed by the Plan Administrator as directed by the Department.

B. Advisory Organizations - Prohibited Activity.

1. An advisory organization cannot file any plan of rates or supplementary rate information on behalf of an insurer.

2. An advisory organization cannot file, distribute or compile recommendations relating to rates that include expenses (other than loss adjustment expenses) or profit except in

the lines of insurance as may be designated by the Commissioner. An advisory organization may, however, provide insurers with an annual study of aggregate average expense data and investment income.

Section 7. Procedures for Rate and Supplementary Rate Information
 Filings

A. **For All Lines Other Than Workers' Compensation and Employers' Liability.**

1. Filing Cover.

a. If a copy of the filing, bearing the appropriate stamp of the Department, is to be returned to the filer, two (2) copies of the filing cover or letter of submission are required together with a postage paid envelope addressed to the filing insurer, insurance holding company or group, or advisory organization. Insurance holding company groups submitting rate filings simultaneously for affiliated companies must file a cover letter for each affiliated company. Only one (1) complete copy of the rate documents and supporting information need be filed for Departmental records if the documents are applicable to all affiliated companies. However, if there are any deviations between or among affiliated companies, supporting information must be submitted for each company along with separate cover letters outlining the deviations. Each company must submit in the cover letter or attached explanatory memorandum a synopsis of each exhibit, the location of the supporting information within the filing, and the conclusion of the data. In addition, the entire filing packet, consisting of all filings, supporting information and exhibits, shall be sequentially numbered or contain a table of contents, and the total number of pages comprising the filing packet shall be referenced in the filing cover.

b. In a competitive market, as defined under Ark. Code Ann. §23-67-202(2), insurers shall submit to the Department filings with a proposed effective date. Such proposed effective date shall not be less than twenty (20) days after the filing and all information required by Section 7(A)(2) below, has been received by the Department. If the information required by Ark. Code Ann. §§23-67-201 et seq. and this Regulation is not included with the filing, the filing shall be disapproved.

c. In a competitive market, if the Department determines after a hearing or by agreement that an insurer's rates require closer supervision because of the insurer's financial condition or its rating practices, the insurer shall file with the Department at least sixty (60) days prior to the effective date all such rates and such supplementary rate information and supporting information as prescribed by the Department. Upon application by the filer, the Department may authorize an earlier effective date. A filing shall be deemed to meet the requirements of Ark. Code Ann. 5523-67-201 et seq. and to be effective upon the expiration of the waiting period.

d. In a noncompetitive market, insurers shall file with the Department rates, supplementary rate information, and supporting information required by the Department at least sixty (60) days prior to the effective date. Written applications for the Department's approval of an earlier effective date, stating clearly the insurer's reasons for the request, must accompany the filing. A filing shall be deemed to meet the requirements of Ark. Code Ann. §§23-67-201 et seq.

and to be effective upon the expiration of the waiting period.

2. Supporting Information Required to Supplement the Filing.

a. Each rate and rule filing submitted shall be accompanied by the Rate Filing Abstract (Form RF-1). If you are making a loss cost reference filing see Section 7(A)(3). Rate and rule filings for Homeowners Insurance and Private Passenger Automobile Insurance must also include the Private Passenger Automobile Abstract (Form A-1), Survey Form APCS or Homeowners Abstract (Form H-1) and Survey Form HPCS. Rate and form filings must be made separately. (See Section 8, Procedures for Form Filings, below). The following required documentation should be identified as an exhibit in the filing, and the exhibits should be numbered to correspond directly with the listing of documentation. If an item required is not available or is inapplicable, a statement should be included that specifies the inapplicability or unavailability of the particular item.

b. Explain the type of loss information utilized in this rate filing. Specify whether the data reflects a calendar period, accident period, or policy period.

(1) If calendar period information is used, explain any adjustments that have been made to reflect changes in those estimated loss liabilities based on actual claims, and changes in incurred but not reported estimated loss liabilities. If a provision for incurred but not reported estimated loss liabilities is included, specify the calculation changes over the experience period, and the distribution among coverages and states. Loss development factors should be shown by coverage both for Arkansas and countrywide for the past five (5) years.

(2) If policy or accident period data is used, explain any tests or adjustments that were made to loss development factors so as to make them appropriate for use in this filing. Loss development factors should be shown by coverage both for Arkansas and countrywide for the past five (5) years.

c. If the methods used in this filing differ from those used in the insurer's last rate filing for this coverage in Arkansas, or if the Arkansas methods differ from those used countrywide, attach an explanation of the differences.

d. Explain any adjustments for large or catastrophic losses that were made in the statistical information on losses.

e. Display the calculation of the estimate of investment income on net unearned premiums and loss reserves.

f. Display the calculation of any loading or contingency factor which is used in this filing.

g. Display underwriting expenses. State procedures used in the filing to recognize the distinction between expenses which vary directly with losses, and expenses such as general expenses, which do not vary.

h. State steps taken to control losses for the coverages included in this filing.

i. Explain any adjustments made by the trending components of the filing. If significant trends within this State are utilized, a narrative describing the basis of the trend must be included.

j. The determination of the weighting of credibility assigned to Arkansas must be fully explained.

k. If common classes are grouped together for rate making purposes because the data for one particular class is not credible either for Arkansas or countrywide, all class codes utilized in developing credibility must be stated with Arkansas experience for each class affected shown separately.

1. Any additional information the Department may require pursuant to Ark. Code Ann. §23-67-202(11) and (12) must be included.

3. Reference Filings.

a. If an insurer is a participating insurer in an advisory organization and decides to use the prospective loss costs in a reference filing in support of its own filing, the insurer shall make a filing using the Reference Filing Adoption Form (Form RF-2) in addition to the Rate Filing Abstract (Form RF-1). The insurer's rates are the combination of the prospective loss costs and the loss cost adjustments contained in Form RF-2. Reference filings for Homeowners must also include the Homeowners Abstract (Form H-1) and Survey Form HPCS. Private Passenger Automobile reference filings shall include the Private Passenger Automobile Abstract (Form A-1) and Survey Form APCS.

b. Any participating insurer in an advisory organization may satisfy its obligation to file rates, the prospective loss costs portion of its rates, supplementary rate information or supporting information by filing a reference to a filing made by the advisory organization. Such reference filings must include, 8n the filing cover letter, the advisory organization's reference document number.

4. Deviations

An insurer may file a deviation from the reference document as filed by the advisory organization. Such filings shall specify the basis for and adequately justify the request for the deviation and shall be accompanied by the information required in Section 7(A)(2).

5. Loss Cost Filings.

a. An insurer wishing to adopt an advisory organization's current loss cost filing must:

(1) Provide the documentation required in Section 7(A)(2), indicating whether or not the loss cost multiplier is to be applicable to future filings.

(2) Provide documentations to support the development of the company's loss

cost adjustments.

- (3) Pay the appropriate fees.
- (4) Indicate the insurer's proposed effective date.

b . Upon subsequent revision by an advisory organization of a loss cost filing, an insurer having requested to have its loss cost adjustment applicable to subsequent filings must:

(1) Give notice of its intent to adopt by submitting a cover letter so stating and provide the advisory organization's reference document number.

(2) Pay the appropriate fees.

(3) Provide a copy of the previously filed RF-2 indicating that the loss cost modifier will be applicable to future filings.

c. If an insurer who has filed to have its loss cost adjustments remain on file with the Department intends to delay, modify, or not adopt a particular advisory organization's loss cost reference filing, the insurer must notify the Department in writing. The insurer's on-file loss cost adjustments will remain in effect until disapproved by the Department, withdrawn by the insurer or until the insurer files and receives approval of a revised Form RF-2.

d. To the extent that an insurer's final rates are determined solely by applying its loss cost adjustments to the prospective loss costs contained in an advisory organization's reference filing, the insurer need not develop or file its final rate pages with the Department. If an insurer chooses to print and distribute final rate pages for its own use, based solely upon the application of its filed loss cost adjustments to an advisory organization's prospective loss costs, the insurer must file pages with the Department. If the advisory organization does not print the loss costs in its rating manual, the insurer must submit its rates to the Department.

e. Nothing in these procedures shall be construed to require advisory organizations or their participating insurers to immediately refile rates previously implemented. Any participating insurer of an advisory organization is authorized to continue to use all rates and deviations filed for its use until disapproved, or the insurer makes its own filing, or files Form RF-2 adopting the advisory organization's prospective loss costs or a modification thereof.

B. Procedures for Rate and Supplementary Rate Information Filings. For Workers' Compensation and Employers' Liability Insurance.

Manuals of classifications, rules and rates, rating plans, and every modification of any of the foregoing which an insurer proposes to use for workers' compensation and employers' liability insurance must be approved or deemed approved by this Department before such manual, rules and rates or rating plan can be used. Insurers may file independently or by reference to the loss costs, supporting information or supplementary rate information filed by an advisory organization. Insurers may file deviations to the loss costs filed by an advisory organization.

1. Filing Cover.

If a copy of the filing, bearing the appropriate stamp of the Department, is to be returned to the filer, two (2) copies of the filing cover or letter of submission are required together with a postage paid envelope addressed to the filing insurer, insurance holding company or group, or advisory organization. Insurance holding company groups submitting rate filings simultaneously for affiliated companies must file a cover letter for each affiliated company. Only one (1) complete copy of the rate documents and supporting information need be filed for Departmental records if the documents are applicable to all affiliated companies. However, if there are any deviations between or among affiliated companies, supporting information must be submitted for each company along with separate cover letters outlining the deviations. Each company must submit in the cover letter or attached explanatory memorandum a synopsis of each exhibit, the location of the supporting information within the filing, and the conclusion of the data. In addition, the entire filing packet, consisting of all filings, supporting information and exhibits, shall be sequentially numbered or contain a table of contents, and the total number of pages comprising the filing packet shall be referenced in the filing cover.

2. Supporting Information Required to Supplement the Filing.

a. Each rate and rule filing submitted shall be accompanied by the Rate Filing Abstract (Form RF-1). If you are making a loss cost reference filing, see Section 7(B)(5). Rate and form filings must be made separately. The following required documentation should be identified as an exhibit to the filing, and the exhibits should be numbered to correspond directly with the listing of documentation. If an item required is not available or is inapplicable, a statement should be included that specifies the inapplicability or unavailability of the particular item.

b. Explain the type of loss information utilized in this rate filing. Specify whether the data reflects a calendar period, accident period, or policy period.

(1) If calendar period information is used, explain any adjustments that have been made to reflect changes in those estimated loss liabilities based on actual claims, and changes in incurred but not reported estimated loss liabilities. If a provision for incurred but not reported estimated loss liabilities is included, specify the calculation changes over the experience period, and the distribution among coverages and states. Loss development factors should be shown by coverage both for Arkansas and countrywide for the past five (5) years.

(2) If policy or accident period data is used, explain any tests or adjustments that were made to loss development factors so as to make them appropriate for use in this filing. Loss development factors should be shown by coverage both for Arkansas and company-wide for the past five (5) years.

c. If the methods used in this filing differ from those used in the insurer's last rate filing for this coverage in Arkansas, or if the Arkansas methods differ from those used countrywide, attach an explanation of the differences.

d. Explain any adjustments for large or catastrophic losses that were made in the

statistical information on losses.

e. Display the calculation of the estimate of investment income on net unearned premiums and loss reserves.

f. Display the calculation of any loading or *contingency factor* used in this filing.

g. Display underwriting expenses. State procedures used in the filing to recognize the distinction between expenses which vary directly with losses, and expenses such as general expenses, which do not vary.

h. State steps taken to control losses for the coverages included in this filing.

i. Explain any adjustments made by the trending components of the filing. If significant trends within this State are utilized, a narrative describing the basis of the trend must be included.

j. The determination of the weighting of credibility assigned to Arkansas must be fully explained.

k. If common classes are grouped together for rate making purposes because the data for one particular class is not credible either for Arkansas or countrywide, all class codes utilized in developing credibility must be stated with Arkansas experience for each class affected shown separately.

1. Any additional information the Department may require.

3. Rate Filing Deadlines.

The proposed effective date of the filing shall be not less than thirty (30) days after the filing has been received by the Department. If the information which supplements the filing in accordance with Section 7(B)(2) is not sufficient for the Department to determine whether the filing meets the requirements of Ark. Code Ann. §23-67-219, the Department will notify the filing insurer or advisory organization. If the insurer or advisory organization is required to submit additional information, the effective date of the proposed filing shall not be less than thirty (30) days after such information is received by the Department.

4. Maintenance of Uniform Data Base.

Independent filings based upon a classification system other than the classification system filed by a designated advisory organization must be accompanied by an explanation of the method the insurer will utilize to compile and report data in compliance with Ark. Code Ann. §23-67-219(2)(B).

5. Reference Filings.

a. Any participating insurer in an advisory organization may satisfy its obligation to file the prospective loss cost portion of its rates, supplementary rate information or supporting information by adopting a reference document filing made by an advisory organization, using forms RF-WC, RF-1 and WC-1. Workers' compensation and employers' liability insurance filings by advisory organizations are advisory only and any insurer desiring to use those filings shall submit a letter indicating its intent to file rates, supplementary rate and supporting information by reference to the filing of the licensed advisory organization. This cover letter shall contain the advisory organization's reference document number applicable to this filing.

b. An insurer must notify the Department if it does not intend to adopt a filing of an advisory organization. The insurer must submit data and information to justify the continued use of the rate or supplementary rate information previously filed by the advisory organization.

6. Deviations.

An insurer may file a deviation from an advisory organization's loss cost filing. These deviations may be accomplished through the use of the form RF-WC and attachments thereto. The form WC-1 and RF-1 should accompany the deviation request. The Department shall approve or disapprove deviations within thirty (30) days after receipt of the completed deviation filing. The deviation shall be effective upon approval by the Department.

7. Loss Costs Filings.

a. An insurer wishing to adopt an advisory organization's current loss cost filing must:

(1) Provide the documentation required in Section 7(B)(2), indicating whether or not the loss cost multiplier is to be applicable to future filings.

(2) Provide documentation to support the development of the company's loss cost adjustments.

(3) Pay the appropriate fees.

(4) Indicate the insurer's proposed effective date.

b. Upon subsequent revision by an advisory organization of a loss cost filing, an insurer having requested to have its loss cost adjustment applicable to subsequent filings must:

(1) Give notice of its intent to adopt by submitting a cover letter so stating and provide the advisory organization's reference document number.

(2) Pay the appropriate fees.

(3) Provide a copy of the previously filed RF-WC indicating that the loss cost modifier will be applicable to future filings.

c. If an insurer who has filed to have its loss cost adjustments remain on file with the Department intends to delay, modify, or not adopt a particular advisory organization's loss cost reference filing, the insurer must notify the Department in writing. The insurer's on-file loss cost adjustments will remain in effect until disapproved by the Department, withdrawn by the insurer or until the insurer files and receives approval of a revised Form RF-WC.

d. Final rate pages for all workers' compensation classification codes must be filed with the Department.

e. Nothing in these procedures shall be construed to require advisory organizations or their participating insurers to immediately refile rates previously implemented. Any participating insurer of an advisory organization is authorized to continue to use all rates and deviations filed for its use until disapproved, or the insurer makes its own filing or files Form RF-WC adopting the advisory organization's prospective loss costs or a modification thereof.

Section 8. PROCEDURES FOR FORM FILINGS - All Lines.

All forms submitted for review must comply with the applicable provisions of Ark. Code Ann. §§23-79-101, et seq. Pursuant to Ark. Code Ann. §23-79-109, this Section shall not apply to surety bonds, nor to policies, riders, endorsements, or forms of unique character designed for and used with relation to insurance upon a particular subject.

1. Filing Cover.

a. If a copy of the filing, bearing the appropriate stamp of the Department, is to be returned to the filer, two (2) copies of the filing cover letter of submission are required together with a postage paid envelope addressed to the filing insurer, insurance holding company group, or advisory organization. One (1) copy of the filing cover documenting the action taken by the Department will be returned to the filing insurer, insurance holding company group, or advisory organization. An additional copy of the filing cover for each affiliated company utilizing the documents is required. In addition, the entire filing packet, consisting of all filings, supporting information and exhibits, shall be sequentially numbered or contain a table of contents, and the total number of pages comprising the filing packet shall be referenced in the filing cover.

b. The filing cover must include sufficient information to identify the forms contained therein completely without need for further reference to attached memoranda, forms, exhibits or other documents.

c. If the information required by Section 8(2) below is not included with the filing, the filing shall be deemed incomplete and will not be reviewed.

d. Any insurer may satisfy its obligation to submit form filings by becoming a member of or subscriber to a licensed advisory organization which makes filings on its behalf, provided that nothing contained in this Regulation shall be construed as requiring any insurer to become member of or a subscriber to any advisory organization.

2. Supporting Information Required to Supplement the Filing.

In addition to the requirements of Section 8(1), insurers submitting a form filing are required to include completed pages one (1) and two (2) of the Form Filing Abstract (Form F-1). An authorized representative of the insurer must sign this form and this signature certifies the accuracy of the information on the forms supplied to the Department.

3. Filing Deadlines.

a. Every filing shall be made with the Department not less than thirty (30) days in advance of the proposed effective date. At the expiration of the thirty (30) days, the form so filed shall be deemed approved unless prior thereto it has been affirmatively approved or disapproved by the Department. The Department may, however, extend the review period by an additional thirty (30) days by giving notice of the extension before the expiration of the initial review period.

b . An insurer may, however, waive its rights to have its filing deemed approved if additional time is required by the Department. The forms to be used to acknowledge the waiver of the right to deem the filing approved will be provided by the Department.

Section 9. SEVERABILITY

Any section or provision of this Rule held by a court to be invalid or unconstitutional will not affect the validity of any other section or provision of this Rule.

(Signed by Commissioner Douglass)
INSURANCE COMMISSIONER
STATE OF ARKANSAS

(Signed on "4-11-96")
DATE

ARKANSAS INSURANCE DEPARTMENT
1123 South University, Suite 400
Little Rock, AR 72204
501-686-2975

ARKANSAS RATE FILING ABSTRACT FORM INSTRUCTIONS

The attached form is for inter-departmental purposes to track company loss costs. Companies are required to complete this form although some of the information requested is a duplication of information provided elsewhere.

1. **Line of Insurance (By Coverage):** List each coverage that is separately rated or which has a separate loss cost multiplier, for example, Auto BI, PD, Phy. Damage, etc.
2. **Indicated % Rate Level Change:** Percent of change as indicated through actuarial date for each coverage as listed in column 1. Show overall change at bottom of column.
3. **Requested % Rate level Change:** Chosen rate level change. Show by coverage as listed in column 1. Show indicated overall rate change at bottom of the column.
4. **Expected Loss Ratio:** Enter expected loss ratio as shown on Form RF-2, Item 4(A), or Form RF-WC, Item 4(A) for Workers' Compensation.
5. **Loss Cost Modification Factor:** Enter the loss cost modification factor as shown on Form RF-2, Item 2(A) or Form RF-WC, Item 2(A) for Workers' Compensation.
6. **Selected Loss Cost Multiple :** Enter the loss cost multiplier as shown on Form RF-2, Item 6 or Form RF-WC, Item 8 for Workers' Compensation.
7. **Expense Constant:** Enter the selected company expense constant as developed in Item 6 of Page 3, Form RF-2 (if applicable).
8. **Company Current Loss Cost Multiple :** Enter the loss cost multiplier for each coverage currently on file with the Department. If this is a first-time conversion from rates to loss costs, enter the Bureau's underlying LCM.
9. **Future Filings:** indicate with Yes or No, whether the submitted loss cost factors are to apply to future filings.
10. **Maximum Rate Increase/Decrease:** Indicate the estimated maximum rate increase and decrease applicable to the filing being submitted and give territory affected.

Form RF-1

Rev. 4/96

Insurer Name: _____

Contact Person: _____

NAIC Number:

Signature: _____

Name of Advisory Organization Whose Filing You Are Referencing

Telephone No: _____

Co. Affiliation to Advisory Organization: Member _____ Subscriber _____ Service Purchase _____

Reference Filing #: _____ Proposed Effective Date: _____

(1) LINE OF INSURANCE By coverage	(2) Indicated % Rate Level Change	(3) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(4) Expected Loss Ratio	(5) Loss Cost Modification Factor	(6) Selected Loss Cost Multiplier	(7) Expense Constant (If Applicable)	(8) Co. Current Loss Cost Multiplier
TOTAL OVERALL EFFECT							

Apply Lost Cost Factors to Future filings? (Y or N)

Estimated Maximum Rate Increase for any Arkansas Insured (%)

Estimated Maximum Rate Decrease for any Arkansas Insured (%)

Corresponds to question 3 on RF-2 or RF-WC

5 Year History

Selected Provisions

[illegible]

ARKANSAS INSURANCE DEPARTMENT

FORM A-1
Rev. 4/98

PRIVATE PASSENGER AUTOMOBILE ABSTRACT

Instructions: All questions must be answered. If the answer is "none" or "Not applicable", so state. If all questions are not answered, the filing will not be accepted for review by the Department. Use a separate abstract for each company if filing for a group. Subsequent homeowners rate/rule submission that do not alter the information contained herein need not include this form.

Company Name _____
NAIC No. _____ Group No. _____

1. Are there any areas in the State of Arkansas in which your company will not write automobile insurance? _____

2. Do you furnish a market for young drivers? _____
Over age 65 drivers? _____

3. Do you require collateral business to support a youthful driver risk? _____

4. Do you insure driver with an international or foreign driver's license? _____

5. Specify the percentage you allow in credit or discounts for the following:

a.	Driver Over 55	_____ %
b.	Good Student Discount	_____ %
c.	Multi-car Discount	_____ %
d.	Accident Free Discount*	_____ %
	*Please Specify Qualification for Discount _____	
e.	Anti-theft Discount	_____ %
f.	Other (specify)	_____ %
	_____	_____ %
	_____	_____ %
	_____	_____ %

6. Do you have an installment payment plan for automobile insurance? _____
If so, what is the fee for installment payments? _____

7. Does your company utilize a tiered rating plan? _____ If so, list the programs and percentage difference.
_____ State the current volume for each
program.

_____	_____
_____	_____
_____	_____

THE INFORMATION PROVIDED IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Signature

Title

Telephone Number

ARKANSAS INSURANCE DEPARTMENT

FORM H-1
Rev. 4/96

HOMEOWNERS ABSTRACT

Page 1 of 2

INSTRUCTIONS: All questions must be answered. If the answer is "none" or "not applicable", so state. If all questions are not answered, the filing will not be accepted for review by the Department. Use a separate abstract for each company if filing for a group. Subsequent homeowners rate/rule submissions that do not alter the information contained herein need not include this form.

Company Name _____

NAIC No. _____ Group No. _____

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact. _____

2. If you use a cost estimator (or some similar method) in order to make sure that dwellings (or contents) are insured at their value, state when this program was started in Arkansas and estimate its impact. _____

3. If you require a minimum relationship between the amount of insurance to be written and the replacement value of the dwelling (contents) in order to purchase insurance, describe the procedures that are used. _____

4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact. _____

5. Specify the percentage given for credit or discounts for the following:

a.	Fire Extinguisher	_____ %
b.	Burglar Alarm	_____ %
c.	Smoke Alarm	_____ %
d.	Insured who has both homeowners and auto with your company	_____ %
e.	Deadbolt Locks	_____ %
f.	Window or Door Locks	_____ %
g.	Other (specify)	_____ %
	_____	_____ %
	_____	_____ %

6. Are there any areas in the State of Arkansas in which your company will not write homeowners insurance? _____
If so, state the areas and explain reason for not writing. _____

7. Specify the form(s) utilized in writing homeowner insurance. Indicate the Arkansas premium volume for each form.

Form	Premium Volume
_____	_____
_____	_____
_____	_____

8. Do you write homeowner risks which have aluminum, steel or vinyl siding? _____

9. If there is a surcharge on risks with wood heat? _____
If yes, state surcharge _____
Does the surcharge apply to conventional fire places? _____
If yes, state surcharge _____

THE INFORMATION PROVIDED IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Signature

Title

Telephone

Number

ARKANSAS INSURANCE DEPARTMENT

Form RF-2
Rev. 4/96

INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION
PROSPECTIVE LOSS COSTS REFERENCE
FILING ADOPTION FORM

Page 1 of 3

1. Insurer Name _____
Address _____

Person Responsible for filing _____
Title _____ Telephone No. _____
2. Insurer NAIC No. _____ Group No. _____
3. Line of Insurance _____
4. Advisory Organization _____
5. Advisory Organization Reference Filing No. _____
6. The above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.
7. Proposed Rate Level Change _____ % Effective Date _____
8. Prior Rate Level Change _____ % Effective Date _____
9. Attach "Summary of Supporting Information Form"
(Use a separate Summary for each insurer-selected loss cost multiplier.)
10. Check one of the following:

() the insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and, if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer.

() The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

ARKANSAS INSURANCE DEPARTMENT

Page 2 of 3

Insurer Name: _____ Date: _____
NAIC No. _____ Group No. _____

**INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS
SUMMARY OF SUPPORTING INFORMATION FORM
CALCULATION OF COMPANY LOSS COST MULTIPLIER**

1. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies:
2. Loss, cost Modification:
 - A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:
(Check One)
 () Without Modification (factor = 1,000)
 () With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) _____
 - B. Loss Cost Modification Expressed as a Factor: (See Examples Below) _____

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED, ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 3-7 BELOW.

3. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.

	Selected Provisions
A. Total Production Expense	_____ %
B. General Expense	_____ %
C. Taxes, Licenses & Fee	_____ %
D. Underwriting Profit & contingencies*	_____ %
E. Other (explain)	_____ %
F. TOTAL	_____ %

*Explain how investment income is taken into account.

4. A. Expected Loss Ratio: $ELR = 100\% - 3F = A$ _____ %
 B. ELR in Decimal Form = _____ %
5. Company formula Loss Cost Multiplier: $(2B \text{ divided by } 4B) =$ _____ %
6. Company Selected Loss Cost Multiplier = _____ %
 Explain any differences between 5 and 6:

7. Rate level change for the coverages to which this page applies: _____ %

- Example 1: Loss cost Modification factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.
- Example 2: Loss cost Modification factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

ARKANSAS INSURANCE DEPARTMENT

Page 3 of 3

Insurer Name: _____ Date: _____
NAIC No. _____ Group No. _____

EXPENSE CONSTANT SUPPLEMENT

CALCULATION OF COMPANY LOSS COST MULTIPLIER
WITH EXPENSE CONSTANTS

3. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

		Selected Provisions	
	Overall	Variable	Fixed
A. Total production Expense	_____	_____	_____ %
B. General Expense	_____	_____	_____ %
C. Taxes, License & Fees	_____	_____	_____ %
D. Underwriting Profit & Contingencies*	_____	_____	_____ %
E. Other (explain)	_____	_____	_____ %
F. TOTAL	_____	_____	_____ %

*Explain how investment income is taken into account.

4. A. Expected Loss Ratio: $ELR = 100\% - \frac{O}{9}$ overall 3F = _____ %
 B. ELR in Decimal form = _____ %
 C. Variable expected Loss Ratio: $VELR = 100\% - \frac{Variable}{3F}$ = _____ %
 D. VELR in Decimal form = B. ELR in Decimal Form = _____ %

5. Formula Expense Constant:
 $[1.00 \text{ divided by } 4B - (1.00 \text{ divided by } 4D)]$
 x Average Underlying Loss Cost = _____ %
 Formula Variable Loss Cost Multiplier:
 $(2B \text{ divided by } 4D) =$ _____ %

6. Selected Expense Constant = _____ %
 Selected Variable Loss cost Multiplier = _____ %

7. Explain any differences between 5 and 6:

8. Rate level change for the coverages to which this page applies: _____ %

ARKANSAS INSURANCE DEPARTMENT

**WORKERS COMPENSATION INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
LOSS COSTS REFERENCE FILING ADOPTION FORM**

DATE _____

Page 1 of 2

1. INSURER NAME _____
ADDRESS _____

PERSON RESPONSIBLE FOR FILING _____

TITLE _____ TELEPHONE NO. _____

INSURER NAIC NO. _____ GROUP NO. _____

3. ADVISORY ORGANIZATION _____

4. ADVISORY ORGANIZATION REFERENCE FILING NO. _____

5. The above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

6. A. PROPOSED RATE LEVEL CHANGE _____% EFFECTIVE DATE _____

B. PROPOSED PREMIUM LEVEL CHANGE _____% EFFECTIVE DATE _____

7. A. PRIOR RATE LEVEL CHANGE _____% EFFECTIVE DATE _____

B. PRIOR PREMIUM LEVEL CHANGE _____% EFFECTIVE DATE _____

8. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM" (RF-WC page 2)
(Use a separate summary for each insurer-selected loss cost multiplier.)

9. CHECK ONE OF THE FOLLOWING:

() The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organizations' prospective loss costs for this line insurance. The insurer's rates will be the combination of the advisory organizations' prospective loss costs and the insurer's loss cost multipliers and if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer.

() The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference filing.

ARKANSAS INSURANCE DEPARTMENT
**WORKERS COMPENSATION INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
LOSS COSTS SUMMARY OF SUPPORTING INFORMATION
FORM CALCULATION OF COMPANY LOSS MULTIPLIER**

Page 2 of 2

INSURER NAME _____ DATE _____

INSURER NAIC NO. _____ GROUP NO. _____

1. Does this filing apply to all classes contained in item 4 of the Reference Filing Adoption Form?
() Yes () No If No, for each affected class attach Page 2 of form RF-WC with appropriate justification.

2. Loss Cost Modification:

- A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:
(CHECK ONE)

() without Modification (factor = 1.000)

() With the following modification(s). (Cite the nature and percent modification, and attach supporting and/or rationale for the modification). _____

- B. Loss Cost Modification Expressed as a Factor: _____ (See Examples Below)

3. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio. (Attach exhibit detailing insurer expense data, impact of premium discount plans, and/or other supporting information.)
PROJECTED EXPENSES: Compared to standard premium at company rates.

	Selected Provisions
A. Total Production Expense	_____ %
B. General Expense	_____ %
C. Taxes, Licenses & Fees	_____ %
D. Underwriting Profit & contingencies*	_____ %
E. Other (explain)	_____ %
F. TOTAL	_____ %

*Explain how investment income is taken into account.

4. A. Expected Loss and Loss Adjustment Expense Ratio:
ELR = 100% - 3F = _____ %
B. ELR in Decimal Form _____

5. Overall Impact of Expense constant and Minimum Premiums:
(A 2.3% impact would be expressed as 1.023.) _____

6. Overall Impact of Size-of-Risk Discounts plus Expense Graduation
Recognition in Retrospective Rating:
(An 8.67% average discount would be expressed as 0.914.) _____

7. Company Formula Loss Cost Multiplier:
(2B/[6-3F0 x 5]) = _____

8. Company Selected Loss Cost Multiplier = _____
Explain any differences between 7 and 8: _____

- | | | | |
|--|-----|-----|--|
| | YES | NO | |
| 9. Are you amending your minimum premium formula? If yes attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum, etc. | () | () | |
| 10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change. | () | () | |

ARKANSAS INSURANCE DEPARTMENT

Form WC-1
Rev. 4/96

WORKERS' COMPENSATION ABSTRACT

INSTRUCTIONS: All questions must be answered. If the answer is "non" or "not applicable", so state. If all questions are not answered, the filing will not be accepted for review by the Department. Use a separate abstract for each company if filing for a group.

Company Name _____
NAIC No. _____ Group No. _____
Deviation From _____ Proposed Effective Date _____

1. What type of deviation(s) are you currently utilizing? (Specify whether deviation is a schedule rating plan or an across-the board deviation)

Type	Approved	Percentage
_____	_____	_____
_____	_____	_____
_____	_____	_____

2. What, if any, restrictions apply to the deviation? _____

3. What is the minimum premium requirement for eligibility for the deviation? _____

4. What was the average percentage of credit given on policies eligible under the deviation? _____

5. What was the average percentage of debit given on policies eligible under the deviation? _____

6. State the number of Arkansas policies issued since the approval of your deviation. _____
Of these policies, how many received a deviation? _____

7. Do you allow both schedule rating plans and across-the-board deviations on the same risk? _____

8. Does your company offer a dividend plan? If so, please describe the type of dividend, including the amount paid in dividends for the preceding calendar year. _____

9. When promulgating an individual policy premium, at what point is the deviation applied? _____

10. Do plans for the future market provide for:
(a) A greater market penetration for this type of business _____
(b) A lesser penetration _____
(c) Status quo _____

THE INFORMATION PROVIDED IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Signature

Title

Telephone Number

ARKANSAS INSURANCE DEPARTMENT
FORM FILING ABSTRACT

Form F-1
Rev. 4/96

ALL QUESTIONS MUST BE ANSWERED

Page 1 of 2

Companies filing for a group may use a consolidated abstract if all forms are identical.

1. Date Filed _____
2. Company Name(s) _____
Group Name _____ NAIC No. _____ Group No. _____
3. (a) Annual Statement Line of Business Number (Page 14) _____
(b) Class of Business _____
(c) Coverages Affected _____
4. (a) Name of Advisory Organization, if any _____
(b) Affiliation with Advisory Organization: _____ Member () Subscriber ()
5. Is this a reference filing? Yes () No () If yes, please provide the following:
(a) Name of Advisory Organization (or Affiliated Company) _____
(b) Date of Filing _____
(c) Filing Designation Number or Description _____

PROVIDE THE INFORMATION REQUESTED ON PAGE 2 OF THIS FORM

7. Has the form(s) been approved for use in your domiciliary state and/or other states?

8. Is the form filed in response to or due to legislation? If so, specify legislation.

9. Is the form filed in response to or due to recent court decisions? If so, give citation.

THIS INFORMATION IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Signature

Title

Telephone Number

Old Form No.	Proposed Effective Date Of New Form	New Form No.	Title of the Form(s); also Indicate Withdrawals: Provide Synopsis Of Coverage